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C O R R E C T E D    C O P Y - FORMAT CORRECTIONS

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TAGS: PGOV PREL PHUM BF  
SUBJECT: Nassau--October Monthly

¶1. This is a monthly report on a variety of topics of interest which do not merit full reporting cables.

-- Ambassador Avant Arrives to Warm Welcome

-- Surprise Announcement At Opposition Political Convention Triggers Travolta Mistrial

-- Massive Roundup of Illegal Immigrants Announced

-- IMF: Inflation Declines in The Bahamas, So Why Isn't Milk Cheaper?

-- Entrepreneurs Suffer as Bahamas Development Bank Faces Liquidity "Issues"

-- Threat of U.S. Competition Contributes to Slump in Telecom Company Profits

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Ambassador Avant Arrives to Warm Welcome

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¶2. (U) Ambassador Nicole Avant arrived at post on October 14. Her arrival was televised on the government news station that evening. Amb. Avant presented her credentials to Governor General Arthur Hanna on October 22. In her speech she pledged to continue the excellent bilateral relationship, a theme that carried over to a short but warm courtesy call on Prime Minister Ingraham. In her first press conference on October 23, the Ambassador received widespread and highly favorable coverage.

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Surprise Announcement at Opposition Political Convention Triggers Travolta Mistrial

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¶3. (U) The opening night of the opposition Progressive Liberal Party (PLP) convention was interrupted by the surprise announcement that former PLP Senator Pleasant Bridgewater was a "free woman."

The convention floor turned to pandemonium on October 21 when Member of Parliament Picewell Forbes made the remarks, only to return a few minutes later to apologize for the "premature" announcement. Testimony had concluded earlier that day in the Travolta extortion case against Bridgewater and ambulance driver Tarino Lightbourne; however, the jurors were still deliberating. The Justice hearing the cases immediately ordered a retrial, fearing there had been a leak from the jury room. Forbes, who escaped contempt of court charges, made a public apology, acknowledging that his remarks were "reckless" and "interfered with the course of justice." The justice decline to impose contempt charges, ruling that world-wide ridicule and condemnation of Forbes' actions was punishment enough.

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#### Massive Roundup of Illegal Immigrants Announced

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¶ 14. (U) The Minister of State for Immigration, Branville McCartney, announced this week that over thirty illegal Haitian migrant shanty towns had been identified by air on New Providence. Speaking in Parliament, McCartney said the towns were environmental and fire hazards and would be removed. Director of Immigration Jack Thompson told the media that the roundup and removal would be done humanely and not "bulldozed." He also announced that they will be establishing a hotline for the purpose of "intelligence gathering" so the public could provide tips on illegal migrant communities in order to "protect the country's borders."

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#### IMF: Inflation Declines in The Bahamas, So Why Isn't Milk Cheaper?

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¶ 15. (U) The International Monetary Fund (IMF) said that inflation rates in The Bahamas will fall as low as 1 percent by December 2009, the lowest period of inflation recorded in over five years. The IMF predicted that this should result in a significant decline in the overall cost of living, especially in local food prices. Nevertheless, overall food prices increased by 7.7 percent in August; private analysts believe that real consumer price index inflation is considerably higher.

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#### Entrepreneurs Suffer as Bahamas Development Bank Faces Liquidity Issues

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¶ 16. (U) Minister of State for Finance, Zhivargo Laing, told the media that the Bahamas Development Bank (BDB) is no longer able to "originate meaningful loans" because current borrowers are unable to repay existing loans. The bank is a key resource for Bahamian entrepreneurs and small businesses. The lack of liquidity forced the Bank to stop lending to business owners who would not otherwise be qualified for loans from commercial banks. The BDB's loan

arrears reached USD 27 million, or 50 percent of its USD 54 million portfolio this year.

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Threat of U.S. Competition Contributes to Slump in Telecom Company Profits

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**¶** 17. (U) In its annual report to the House of Assembly, the state-owned Bahamas Telecommunications Company (BTC) noted profits dropped more than 50 percent in 2008 (compared to 2007). BTC claimed the decrease was a result of the economic downturn, layoffs, skyrocketing operating expenses and their multi-million dollar infrastructure enhancements to make themselves ready for mandated liberalization. Four private telecommunications companies, three of which are affiliated with U.S. financing firms, have been allowed to bid this year for a 51 percent stake in the telecom monopoly. A committee consisting of BTC and GCOB officials is in the process of reviewing the bids. Although BTC reported a USD 3.5 million decrease in revenue, it is "cautiously optimistic" that it will perform better in 2009.

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